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Classified Defense

Lawyer Says He Intends to Air Secrets In Former Officer's Embezzlement Trial

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WEST PALM BEACH, Fla.—As a high-ranking NATO officer in the 1970s, Maj. Gen. Richard B. Collins was privy to the alliance's war plans and other military and intelligence secrets.

Now he says he will expose some of those secrets to defend himself against charges that between 1975 and 1978 he misused \$445,000 from an Air Force fund in Swiss bank accounts for clandestine intelligence operations and that he embezzled \$19,000.

In his 25-year Air Force career, the experienced combat pilot had moved up through the ranks to serve as U.S. supervisor of war planning in Europe and as liaison between Washington and the NATO nations. When he retired five years ago, Collins received a 13-gun salute and a formal commendation from his boss, Gen. Alexander M. Haig Jr., then NATO commander and later secretary of state.

Today, Collins, 53, is scheduled to go on trial in U.S. District Court here. Now working in nearby Fort Lauderdale as a consultant and real-estate developer, he has denied the charges and notified the government that, to defend himself, he must expose classified U.S. information.

Most of the documents in the Collins trial are still classified. But interviews with his lawyer, Stephen Bronis, and information in open court records indicate that in his defense Collins will detail his handling of a classified Air Force fund

kept in numbered Swiss bank accounts to pay for clandestine military and CIA intelligence operations in Europe and Southeast Asia.

To defend his client, Bronis said he will call not only Haig and other high-level military figures but also covert CIA operatives who may have been involved.

Bronis, who had to get a top-secret security clearance to handle the case, also is expected to question whether the Air Force legally could maintain the secret fund, which existed from the mid-1960s until 1978, and run covert operations without congressional approval.

In addition, Bronis is to examine the role in the secret fund played by Lockheed Corp., the aerospace defense contractor. A.G. Otsea, chairman of Lockheed Aircraft International in Switzerland, has been called by Bronis as a defense witness. Otsea is identified in government and defense court documents as a former manager of the account.

A Lockheed official said the company would have no comment.

The Justice Department has asked the court to block introduction of classified material as evidence. But after meeting in closed sessions with Bronis and government lawyers, Judge James C. Paine ruled that Collins may use such information.

"The court is aware not only of its responsibility to protect the government's interest in preserving the national security but also of its responsibility to protect the defendant's interest in a fair trial and the public's interest in access to criminal proceedings," Paine said.

The Justice Department has filed an appeal, which could postpone the trial. But department spokesmen have said that the trial will go forward, even if classified information becomes public.

Because of a court order barring release of any classified material, Bronis is limited in what he can say about the case. Collins will not comment.

But Bronis does say that Collins first became involved with the fund in 1975 while stationed in Geneva. He said Collins urged his superiors in 1975 to close the accounts because of questions about their legality.

"He felt the accounts should be terminated," Bronis said. "His recommendation was overridden, and he was placed in charge of the various accounts."

Because of Swiss neutrality, military accounts are forbidden in Swiss banks. As a result, Bronis said, Collins—like previous custodians—kept the money in several accounts under his own name.

Bronis said secret depositions recently taken in Switzerland indicate that previous custodians frequently moved the funds from account to account as banks became suspicious of military involvement.

Bronis said Collins eventually moved the funds to the Swiss Bank Corp., where he had a personal account left to him by his father-in-law. According to Bronis, Collins believed that, because he had done business with the bank for many years, placing the accounts there would not raise as much suspicion. But there his legal problems began.

Bronis will not detail day-to-day operations of the account, which at times contained almost \$1 million, or reveal what path the money took into and out of it. But he said Air Force guidelines required that the fund balance remain above a certain level. To accomplish that, Collins sometimes put personal funds into the account temporarily, Bronis said.

In retrospect, Bronis said, Collins probably would agree that it was unwise to mingle personal and government funds. But Collins has insisted that he did not profit personally at any time, Bronis said.

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